

June 6, 1996

CEMA ISSUES FOR INCLUSION IN VIDEO LEGISLATION

1. Ensure Compliance with Specified Copy Protection Systems. This is the subject of discussions concerning the scope of appropriate provisions to ensure that recording and interface devices comply with, and do not circumvent, specified, agreed-upon copy protection systems ("Copy Protection Systems").
2. Preserve Consumers' Rights Regarding Copying. No Copy Protection System may be used by a content owner to limit copying of broadcast television or basic cable television. One generation of copies of subscription (pay) television is to be permitted. Other limitations will need to be considered in light of the scope of the content to which the legislation would apply.
3. Manufacturers' Immunity From Suit. Given the duty to comply with Copy Protection Systems, the importation, manufacture and distribution of recording and interface devices must be free from any risk of suit for copyright infringement and trade-related actions based on copyright infringement.
4. Consumers' Immunity From Suit. Consumers should be free from any risk of suit for copyright infringement for private, noncommercial use of recording devices, though consumers may be liable, subject to limited remedies, for circumvention of Copy Protection Systems.
5. Ensure Technological Compatibility. Subsequent Copy Protection Systems will not produce different results with respect to copying than earlier systems; will not have an adverse effect on other equipment (such as television monitors); and use of such subsequent Copy Protection systems on media will not render earlier generation devices obsolete.
6. Ensure Availability of Copy Protection Technology. Royalties for Copy Protection Systems will be payable by the content owner; hardware manufacturers are not obligated to pay for inclusion of technology needed to comply with Copy Protection Systems. Manufacturers' cost of implementing technology to comply with Copy Protection Systems will not be material.

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7. Professional Devices to be Handled Rationally. Criteria for identifying professional devices need to be clearly established and professional devices need to be exempted from parts or all of provisions requiring compliance with Copy Protection Systems.

8. Remedies. The legislation should provide clear and appropriate remedies for violation of the provisions requiring compliance with Copy Protection Systems and establishing rules with respect to the use of Copy Protection Systems to limit copying, and for violation of the anti-circumvention provisions. Multiple actions should be limited.